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ABSTRACT

This document answers questions about the Expected Family Contribution (EFC) used to determine eligibility for financial aid at institutions of higher education. Answers are provided for the following questions: What is the EFC? What is the source of data used for EFC calculations? Who processes the application and how is the student notified? Which EFC worksheet should be used? What is the definition of an independent student? Which students quality for the simplified EFC formula? Which students automatically qualify for a zero EFC? Why might a calculation of an EFC using the enclosed worksheets differ from the EFC reported on a Student Aid Report? Appended are three worksheets and tables for calculating EFC under formulas A (for dependent students), B (for independent students without dependents), and C (for independent students with dependents). (CH)

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THE EFC FORMULA, 2000-01

ED 440 598

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THE EFC FORMULA, 2000-01

What is the EFC?

The Expected Family Contribution (EFC) is the amount that a family can be expected to contribute toward a student's college costs. By comparing the EFC to the student's cost of attendance, the financial aid administrator at the school can determine the student's financial need for federal student aid from the U.S. Department of Education (the Department) and from other sources. The EFC formula is used to determine need for assistance from the following Student Financial Assistance (SFA): Federal Pell Grants, subsidized Stafford Loans made under the William D. Ford Federal Direct Loan Program, subsidized Stafford Loans made under the Federal Family Education Loan [FFEL] Program, and "campus-based" programs—Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Perkins Loan, and Federal Work-Study (FWS) programs. The methodology for determining the EFC is found in Part F of Title IV of the Higher Education Act of 1965, as amended (HEA). Updated tables used in the computation of the EFC for the 2000-01 award year were published in the *Federal Register* June 1, 1999 (with corrections published June 15, 1999 and December 29, 1999).

Note that the financial aid administrator puts together a financial aid package that comes as close as possible to meeting a student's need. However, because funds are limited, the amount awarded to the student may fall short of the amount of aid for which the student is eligible.

What is the source of data used in EFC calculations?

All data used to calculate a student's EFC come from the information the student provides on the Department's *Free Application for Federal Student Aid* (FAFSA). A student may submit a FAFSA (1) through the Internet by using *FAFSA on the Web,* (2) by using *FAFSA Express* software, (3) by filing an application electronically at those schools that participate in the Department's Electronic Data Exchange (EDE), or (4) by mailing a paper FAFSA. A student who applied for federal student aid in the previous award year may be eligible to apply by filing a Renewal FAFSA, either by using the paper Renewal application mailed to the student's home or through the Internet.

Applying for federal aid is free. However, to be considered for nonfederal aid, such as institutional aid, a student may have to fill out additional forms and pay a processing fee.

Who processes the application, and how is a student notified of his or her EFC?

The Department's central processing system processes the student's FAFSA and computes the EFC, based on the information the student reported. Each student will receive a *Student Aid Report* (SAR) that reports the information from the student's application and, if the information provided was complete, the student's EFC. The student is instructed to check carefully the data on the SAR to ensure that they are correct.

If corrections to the SAR are necessary, a student's school may submit the corrections electronically (if the school participates in EDE). If a student applied by mail, by using *FAFSA Express,* or by using *FAFSA on the Web,* he or she may make corrections on Part 2 of the SAR and return it to the address given at the end of Part 2. If the student applied electronically through a school and would like to make corrections to information by mail, the student must request a copy of his or her SAR from the Federal Student Aid Information Center (FSAIC) at 1-800-4FED-AID (1-800-433-3243).

Which EFC worksheet should be used?

There are three regular (full-data) formulas—(A) for the dependent student, (B) for the independent student **without** dependent(s) other than a spouse, and (C) for the independent student **with** dependent(s) other than a spouse. Also, there are three simplified versions with fewer data elements.

EFC Formula Worksheet A ..... ***pp. 7 through 9***
Simplified Worksheet A ..... pp. 11 through 13
Tables A1 through A7 (use with Worksheet A) ..... pp. 15 through 18

EFC Formula Worksheet B ..... ***pp. 19 and 20***
Simplified Worksheet B ..... pp. 21 and 22
Tables B1 through B4 (use with Worksheet B) ..... pp. 23 through 25

EFC Formula Worksheet C ..... ***pp. 27 and 28***
Simplified Worksheet C ..... pp. 29 and 30
Tables C1 through C6 (use with Worksheet C) ..... pp. 31 through 33

What is the definition of an independent student?

Because the EFC formula for a dependent student uses parental data, while the two formulas for independent students do not, the first step in calculating a student's EFC must be to determine his or her dependency status. For the 2000-01 award year, a student is automatically determined to be an independent applicant for federal student aid if he or she meets one of the following criteria:

- was born before January 1, 1977;
- is a veteran of the U.S. Armed Forces (see the box below);
- is enrolled in a graduate or professional program (beyond a bachelor's degree);
- is married;
- is an orphan or a ward of the court, or *was* a ward of the court until age 18; or
- has legal dependents other than a spouse (see the box below).

In unusual circumstances, the financial aid administrator at the student's school may make a special-case determination of independence even if the student initially filed as a dependent student.

TERMS USED IN THE DEFINITION OF AN INDEPENDENT STUDENT

VETERAN. A student who has engaged in active service in the U.S. Army, Navy, Air Force, Marines or Coast Guard and was released under a condition other than dishonorable—including a student who attended a U.S. military academy but withdrew in good standing—or a student who is not a veteran now but will be a veteran by June 30, 2001.

LEGAL DEPENDENT. Any child of the student who receives more than half support from the student (the child does not have to live with the student), including a natural or adopted child, or a child for whom the student is legal guardian. Also, any person who lives with the student and receives more than half of his or her support from the student and will continue to receive more than half support from the student during the award year.

Which students qualify for the simplified EFC formulas?

The criteria listed below determine which students may have their EFCs calculated by a simplified formula. Assets are not considered in the simplified EFC formulas.

For the 2000-01 award year, a **dependent** student qualifies for the simplified EFC formula if **all** of the following are true:

(1) the student's **parents** filed or are eligible to file a 1999 IRS Form 1040A or 1040EZ* (they are not required to file a 1999 Form 1040), or the parents are not required to file any income tax return; **and**

(2) the **student** filed or is eligible to file a 1999 IRS Form 1040A or 1040EZ* (he or she is not required to file a 1999 Form 1040), or he or she is not required to file any income tax return; **and**

(3) the 1999 income of the student's **parents** from the two sources below is $49,999 or less (excluding any income of the dependent student);

- ❖ for tax filers, the parents' adjusted gross income from 1999 Form 1040A or 1040EZ* is $49,999 or less, or
- ❖ for non-tax filers, the income shown on the 1999 W-2 forms of both parents (plus any other earnings from work not included on the W-2s) is $49,999 or less.

For the 2000-01 award year, an **independent** student qualifies for the simplified EFC formula if **both** of the following are true:

(1) the student (and the student's spouse, if any) filed or is eligible to file a 1999 IRS Form 1040A or 1040EZ* (he or she is not required to file a 1999 Form 1040), or he or she is not required to file any income tax return; **and**

(2) the student's (and spouse's) 1999 income from the two sources below is $49,999 or less;

- ❖ for tax filers, the student's (and spouse's) adjusted gross income from 1999 Form 1040A or 1040EZ* is $49,999 or less, **or**
- ❖ for non-tax filers, the income shown on the student's (and spouse's) 1999 W-2 forms (plus any other earnings from work not included on the W-2s) is $49,999 or less.

*One of the following 1999 income tax forms may be filed as an alternative to filing a Form 1040A or 1040EZ: the income tax return required by the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

Which students automatically qualify for a zero EFC?

Certain students are automatically eligible for a zero EFC. For the 2000-01 award year, a **dependent student** automatically qualifies for a zero EFC if **both** of the following are true:

(1) the student's parents filed or are eligible to file a 1999 IRS Form 1040A or 1040EZ (they are not required to file a 1999 Form 1040), or the parents are not required to file any income tax return; **and**

(2) the sum of both parents' 1999 adjusted gross incomes is $13,000* or less, or if the parents are not tax filers, the sum of their earned incomes is $13,000 or less.

An **independent student with dependents other than a spouse** automatically qualifies for a zero EFC if **both** of the following are true:

(1) the student (and student's spouse, if any) filed or is eligible to file a 1999 IRS Form 1040A or 1040EZ (he or she is not required to file a 1999 Form 1040), or the student (and spouse) is not required to file any income tax return; **and**

(2) the sum of the 1999 adjusted gross income(s) of the student (and spouse) is $13,000* or less, or if the student (and spouse) are not tax filers, the sum of their earned income(s) is $13,000 or less.

Note that the automatic eligibility criteria for a zero EFC are not applicable to a single or married **independent student without dependents other than a spouse.**

Why might a calculation of an EFC using these worksheets differ from the EFC reported on a student's SAR?

When it appears that an applicant has reported inconsistent data, the central processing system may make certain assumptions to resolve the inconsistency. These assumed values, which are reported on the student's SAR, are used to calculate the student's EFC. Therefore, in some cases, the EFC produced by these worksheets may differ from the EFC produced by the central processing system if the data printed on the SAR are not used.

*This amount is based on the maximum amount of income, rounded to the nearest thousand, that may be earned in order to claim the Internal Revenue Service's "maximum federal earned income credit." The maximum amount of 1999 income that may be earned in order to claim the credit, when rounded to the nearest thousand, equals $13,000.

WORKSHEETS AND TABLES

EFC Formula Worksheet A ..... pp. 7 through 9

Simplified Worksheet A ..... pp. 11 through 13

Tables A1 through A7 (use with Worksheet A) .... pp. 15 through 18

EFC Formula Worksheet B ..... pp. 19 and 20

Simplified Worksheet B ..... pp. 21 and 22

Tables B1 through B4 (use with Worksheet B)..... pp. 23 through 25

EFC Formula Worksheet C ..... pp. 27 and 28

Simplified Worksheet C ..... pp. 29 and 30

Tables C1 through C6 (use with Worksheet C)..... pp. 31 through 33

2000-01 EFC FORMULA A: DEPENDENT STUDENT

REGULAR WORKSHEET Page 1 **A**

PARENT'S INCOME IN 1999

1.	Parents' Adjusted Gross Income (FAFSA/SAR #74)	
2.	a. Father's income earned from work (FAFSA/SAR #78)	
2.	b. Mother's income earned from work (FAFSA/SAR #79) +	
	Total parents' income earned from work = 2.	
3.	Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *	
4.	Untaxed income and benefits:	
	• Earned Income Credit (tax filers only) (FAFSA/SAR #77)	
	• Total from FAFSA Worksheet A (FAFSA/SAR #80) +	
	Total untaxed income and benefits = 4.	
5.	Taxable and untaxed income (sum of line 3 and line 4)	
6.	Total from FAFSA Worksheet B (FAFSA/SAR #81) -	
7.	**TOTAL INCOME** (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST PARENTS' INCOME

8.	1999 U.S. income tax paid (FAFSA/SAR #75) (tax filers only); if negative, enter zero.	
9.	State and other tax allowance (Table A1. If negative, enter zero.) +	
10.	Father's Social Security tax (Table A2) +	
11.	Mother's Social Security tax (Table A2) +	
12.	Income protection allowance (Table A3) +	
13.	Employment expense allowance:	
	• Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less	
	• One parent families: 35% of earned income, or $2,800, whichever is less	
	• Two-parent families, one working parent: zero +	
14.	**TOTAL ALLOWANCES** =	

AVAILABLE INCOME

	Total income (from line 7)	
	Total allowances (from line 14) -	
15.	**AVAILABLE INCOME (AI)** May be a negative number. =	

*STOP HERE if **both** of the following are true: line 3 is $13,000 or less **and** the parents are eligible to file a 1999 IRS Form 1040A or 1040EZ (they are not required to file a 1999 Form 1040) or they are not required to file any income tax return—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS

16.	Cash, savings, & checking (FAFSA/SAR #82)		
17.	Net worth of investments** (FAFSA/SAR #83) If negative, enter zero.		
18.	Net worth of business (FAFSA/SAR #84) If negative, enter zero.		
19.	Net worth of investment farm (FAFSA/SAR #85) If negative, enter zero. If the family resides on the farm, enter zero.		
20.	Net worth of business/farm (sum of lines 18 and 19)		
21.	Adjusted net worth of business/farm (Calculate using Table A4.) +		
22.	**Net worth** (sum of lines 16, 17, and 21) =		
23.	Education savings and asset protection allowance (Table A5) -		
24.	**Discretionary net worth** (line 22 minus line 23) =		
25.	Asset conversion rate	X	.12
26.	**CONTRIBUTION FROM ASSETS** If negative, enter zero. =		

PARENTS' CONTRIBUTION

	Available Income (AI) (from line 15)	
	Contribution from assets (from line 26) +	
27.	**Adjusted Available Income (AAI)** May be a negative number. =	
28.	**Total parents' contribution from AAI** (Calculate using Table A6.)	
29.	**Number in college in 2000-01** (Exclude parents) (FAFSA/SAR #66) ÷	
30.	**PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment) =	

**Do not include the family's home.

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REGULAR WORKSHEET Page 2 **A**

STUDENT'S INCOME IN 1999		
31. Adjusted Gross Income (FAFSA/SAR #40)		
32. Income earned from work (FAFSA/SAR #44)		
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		
34. Total from FAFSA Worksheet A (FAFSA/SAR #46)		
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. Total from FAFSA Worksheet B (FAFSA/SAR #47)	-	
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT'S INCOME		
38. 1999 U.S. income tax paid (FAFSA/SAR #41) (tax filers only); if negative, enter zero.		
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	2,200
42. Allowance for parent's negative Adjusted Available Income (If line 27 is negative, enter line 27 as a positive number in line 42. If line 27 is positive, enter zero in line 42.)	+	
43. TOTAL ALLOWANCES	=	

STUDENT'S CONTRIBUTION FROM INCOME		
Total income (from line 37)		
Total allowances (from line 43)	-	
44. Available Income (AI)	=	
45. Assessment of AI	X	.50
46. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	

STUDENT'S CONTRIBUTION FROM ASSETS		
47. Cash, savings, & checking (FAFSA/SAR #48)		
48. Net worth of investments* (FAFSA/SAR #49) If negative, enter zero.	+	
49. Net worth of business (FAFSA/SAR #50) If negative, enter zero.	+	
50. Net worth of investment farm (FAFSA/SAR #51) If negative, enter zero. If the family resides on the farm, enter zero.	+	
51. **Net worth** (sum of lines 47 through 50)	=	
52. Assessment rate	X	.35
53. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 30)		
STUDENT'S CONTRIBUTION FROM AI (from line 46)	+	
STUDENT'S CONTRIBUTION FROM ASSETS (from line 53)	+	
54. EXPECTED FAMILY CONTRIBUTION	=	

*Do not include the student's home.

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NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months		
Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment*	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months		
a. Parents' Adjusted Available Income (AAI) (from line 27—may be a negative number)		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,440
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)		
e. Number in college (FAFSA/SAR #66)	÷	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	÷	12
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. Parents' contribution for MORE than 9-month enrollment*	=	

Calculation of Student's Contribution for a Student Enrolled for LESS than 9 Months		
Student's contribution (standard contribution for 9-month enrollment, from line 46)		
Divide by 9	÷	9
Student's contribution per month	=	
Multiply by number of months enrollment	X	
Student's contribution for LESS than 9-month enrollment	=	

*Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on EFC Formula Worksheet A, line 30.

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2000-01 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET Page 1 **A**

PARENTS' INCOME IN 1999

1.	Parents' Adjusted Gross Income (FAFSA/SAR #74)	
2.	a. Father's income earned from work (FAFSA/SAR #78)	
2.	b. Mother's income earned from work (FAFSA/SAR #79) +	
	Total parents' income earned from work = 2.	
3.	Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4.	Untaxed income and benefits:	
	• Earned Income Credit (tax filers only) (FAFSA/SAR #77)	
	• Total from FAFSA Worksheet A (FAFSA/SAR #80) +	
	Total untaxed income and benefits = 4.	
5.	Taxable and untaxed income (sum of line 3 and line 4)	
6.	Total from FAFSA Worksheet B (FAFSA/SAR #81) -	
7.	**TOTAL INCOME** (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST PARENTS' INCOME

8.	1999 U.S. income tax paid (FAFSA/SAR #75) (tax filers only); if negative, enter zero.	
9.	State and other tax allowance (Table A1. If negative, enter zero.) +	
10.	Father's Social Security tax (Table A2) +	
11.	Mother's Social Security tax (Table A2) +	
12.	Income protection allowance (Table A3) +	
13.	Employment expense allowance:	
	• Two working parents: 35% of the lesser of the earned incomes, or $2,800, whichever is less	
	• One parent families: 35% of earned income, or $2,800, whichever is less	
	• Two-parent families, one working parent: zero +	
14.	**TOTAL ALLOWANCES** =	

AVAILABLE INCOME

	Total income (from line 7)	
	Total allowances (from line 14) -	
15.	**AVAILABLE INCOME (AI)** May be a negative number. =	

*STOP HERE if **both** of the following are true: line 3 is $13,000 or less **and** the parents are eligible to file a 1999 IRS Form 1040A or 1040EZ (they are not required to file a 1999 Form 1040) or they are not required to file any income tax return—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS

16.	Cash, savings, & checking (FAFSA/SAR #82)	
17.	Net worth of investments** (FAFSA/SAR #83) If negative, enter zero.	
18.	Net worth of business (FAFSA/SAR #84) If negative, enter zero.	
19.	Net worth of investment farm (FAFSA/SAR #85) If negative, enter zero. If the family resides on the farm, enter zero.	
20.	Net worth of business/farm (sum of lines 18 and 19)	
21.	Adjusted net worth of business/farm (Calculate using Table A4.) +	
22.	**Net worth** (sum of lines 16, 17, and 21)	
23.	Education savings and asset protection allowance (Table A5) -	
24.	**Discretionary net worth** (line 22 minus line 23) =	
25.	**Asset conversion rate** X	.12
26.	**CONTRIBUTION FROM ASSETS** If negative, enter zero. =	

PARENTS' CONTRIBUTION

	Available Income (AI) (from line 15)	
	Contribution from assets (from line 26) +	
27.	**Adjusted Available Income (AAI)** May be a negative number. =	
28.	**Total parents' contribution from AAI** (Calculate using Table A6; if negative, enter zero.)	
29.	**Number in college in 2000-01** (exclude parents) (FAFSA/SAR #66) ÷	
30.	**PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment) =	

**Do not include the family's home.

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SIMPLIFIED WORKSHEET Page 2 **A**

STUDENT'S INCOME IN 1999		
31. Adjusted Gross Income (FAFSA/SAR #40)		
32. Income earned from work (FAFSA/SAR #44)		
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		
34. Total from FAFSA Worksheet A (FAFSA/SAR #46)		
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. Total from FAFSA Worksheet B (FAFSA/SAR #47)	-	
37. TOTAL INCOME (line 35 minus line 36) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT INCOME		
38. 1999 U.S. income tax paid (FAFSA/SAR #41) (tax filers only); if negative, enter zero.		
39. State and other tax allowance (Table A7. If negative, enter zero.)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	2,200
42. Allowance for parents' negative Adjusted Available Income (If line 27 is negative, enter line 27 as a positive number in line 42. If line 27 is positive, enter zero in line 42.	+	
43. TOTAL ALLOWANCES	=	

STUDENT'S CONTRIBUTION FROM INCOME		
Total income (from line 37)		
Total allowances (from line 43)	-	
44. Available Income (AI)	=	
45. Assessment of AI	X	.50
46. STUDENT CONTRIBUTION FROM AI If negative, enter zero.	=	

STUDENT'S CONTRIBUTION FROM ASSETS		
47. Cash, savings, & checking (FAFSA/SAR #48)		
48. Net worth of investments* (FAFSA/SAR #49) If negative, enter zero.	+	
49. Net worth of business (FAFSA/SAR #50) If negative, enter zero.	+	
50. Net worth of investment farm (FAFSA/SAR #51) If negative, enter zero. If the family resides on the farm, enter zero.	+	
51. Net worth (sum of lines 47 through 50)	=	
52. Assessment rate	X	.35
53. CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 30)		-
STUDENT CONTRIBUTION FROM AI (from line 46)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 53)	+	
54. EXPECTED FAMILY CONTRIBUTION	=	

*Do not include the student's home.

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NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 3 **A**

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months		
Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment*	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months		
a. Parents' Adjusted Available Income (AAI) (from line 27—may be a negative number)		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	3,440
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)		
e. Number in college (FAFSA/SAR #66)	÷	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	÷	12
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. **Parents' contribution for MORE than 9-month enrollment***	=	

Calculation of Students' Contribution for a Student Enrolled for LESS than 9 Months		
Students' contribution (standard contribution for 9-month enrollment, from line 46)		
Divide by 9	÷	9
Student's contribution per month	=	
Multiply by number of months enrollment	X	
Student's contribution for LESS than 9-month enrollment	=	

*Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on EFC Formula Worksheet A, line 30.

Table A1: State and Other Tax Allowance

for EFC Formula Worksheet A (parents only)

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more		$0-14,999	$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of Columbia	10%	9%	Northern Mariana Islands	4%	3%
Federated States of Micronesia	4%	3%	Ohio	8%	7%
Florida	4%	3%	Oklahoma	6%	5%
Georgia	7%	6%	Oregon	10%	9%
Guam	4%	3%	Palau	4%	3%
Hawaii	8%	7%	Pennsylvania	7%	6%
Idaho	7%	6%	Puerto Rico	4%	3%
Illinois	6%	5%	Rhode Island	9%	8%
Indiana	6%	5%	South Carolina	8%	7%
Iowa	8%	7%	South Dakota	4%	3%
Kansas	7%	6%	Tennessee	3%	2%
Kentucky	7%	6%	Texas	3%	2%
Louisiana	4%	3%	Utah	8%	7%
Maine	9%	8%	Vermont	8%	7%
Marshall Islands	4%	3%	Virgin Islands	4%	3%
Maryland	9%	8%	Virginia	8%	7%
Massachusetts	9%	8%	Washington	4%	3%
Mexico	4%	3%	West Virginia	6%	5%
Michigan	9%	8%	Wisconsin	10%	9%
Minnesota	9%	8%	Wyoming	3%	2%
Mississippi	5%	4%	Blank or invalid State	4%	3%
			OTHER	4%	3%

Multiply parents' total income (from EFC formula Worksheet A, line 7) by the appropriate rate from the table above to get the "state and other tax allowance" (line 9 of Worksheet A). Use the parents' *state of legal residence* (FAFSA/SAR #67). If this item is blank or invalid, use the student's *state of legal residence* (FAFSA/SAR #25). If both items are blank or invalid, use the *state* in the student's mailing address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student.

Income Earned from Work *	Social Security Tax
$0 - $72,600	7.65% of income
$72,601 or greater	$5,553.90 + 1.45% of amount over $72,600

* Father's 1999 income earned from work is FAFSA/SAR #78.
Mother's 1999 income earned from work is FAFSA/SAR #79.
Student's 1999 income earned from work is FAFSA/SAR #44.
Social Security tax will never be less than zero.

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #65)	Number of college students in household (FAFSA/SAR #66) Exclude parents from number in college				
	1	2	3	4	5
2	$12,450	$10,320	——	——	——
3	15,500	13,380	$11,250	——	——
4	19,140	17,010	14,890	$12,760	——
5	22,580	20,450	18,340	16,210	$14,090
6	26,420	24,290	22,170	20,040	17,920

NOTE: For each additional family member, add $2,980.
For each additional college student (except parents), subtract $2,120.

Table A4: Business/Farm Net Worth Adjustment

for EFC Formula Worksheet A (parents only)

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $90,000	40% of net worth of business & farm
$90,001 to $265,000	$ 36,000 + 50% of excess over $90,000
$265,001 to $445,000	$123,500 + 60% of excess over $265,000
$445,001 or more	$231,500 + 100% of excess over $445,000

Table A5: Education Savings and Asset Protection Allowance

for EFC Formula Worksheet A (parents only)

age of older parent *	Allowance if there are two parents	Allowance if there is only one parent	*age of older parent* *	Allowance if there are two parents	Allowance if there is only one parent
25 or less..	0	0	45	44,400	27,400
26	2,600	1,600	46	45,600	28,100
27	5,200	3,300	47	46,700	28,700
28	7,800	4,900	48	47,900	29,300
29	10,500	6,600	49	49,100	30,000
30	13,100	8,200	50	50,300	30,700
31	15,700	9,800	51	51,900	31,400
32	18,300	11,500	52	53,200	32,200
33	20,900	13,100	53	54,800	33,000
34	23,500	14,800	54	56,200	33,800
35	26,100	16,400	55	57,900	34,700
36	28,700	18,000	56	59,700	35,600
37	31,400	19,700	57	61,500	36,400
38	34,000	21,300	58	63,400	37,500
39	36,600	23,000	59	65,300	38,500
40	39,200	24,600	60	67,200	39,400
41	39,900	25,200	61	69,600	40,600
42	40,900	25,800	62	71,600	41,700
43	42,000	26,300	63	74,100	42,900
44	43,100	26,900	64	76,600	44,100
			65 or more	78,900	45,500

**age of older parent* is FAFSA/SAR #70; if blank, use age 45 on the table

Table A6: Parents' Contribution From AAI

If parents' AAI is—	**The parents' contribution from AAI is—**
Less than -$3,409	-$750
-$3,409 to $11,100	22% of AAI
$11,101 to $14,000	$2,442 + 25% of AAI over $11,100
$14,001 to $16,800	$3,167 + 29% of AAI over $14,000
$16,801 to $19,600	$3,979 + 34% of AAI over $16,800
$19,601 to $22,500	$4,931 + 40% of AAI over $19,600
$22,501 or more	$6,091 + 47% of AAI over $22,500

Table A7: State and Other Tax Allowance
for EFC Formula Worksheet A (student only)

Alabama	3%	Missouri	3%
Alaska	0%	Montana	5%
American Samoa	2%	Nebraska	4%
Arizona	3%	Nevada	0%
Arkansas	4%	New Hampshire	1%
California	5%	New Jersey	3%
Canada	2%	New Mexico	4%
Colorado	4%	New York	7%
Connecticut	2%	North Carolina	5%
Delaware	5%	North Dakota	2%
District of Columbia	7%	Northern Mariana Islands	2%
Federated States of Micronesia	2%	Ohio	5%
Florida	1%	Oklahoma	4%
Georgia	4%	Oregon	6%
Guam	2%	Palau	2%
Hawaii	6%	Pennsylvania	3%
Idaho	5%	Puerto Rico	2%
Illinois	2%	Rhode Island	4%
Indiana	4%	South Carolina	5%
Iowa	5%	South Dakota	0%
Kansas	4%	Tennessee	0%
Kentucky	5%	Texas	0%
Louisiana	2%	Utah	5%
Maine	5%	Vermont	4%
Marshall Islands	2%	Virgin Islands	2%
Maryland	6%	Virginia	4%
Massachusetts	5%	Washington	0%
Mexico	2%	West Virginia	4%
Michigan	4%	Wisconsin	5%
Minnesota	6%	Wyoming	0%
Mississippi	3%	Blank or Invalid State	2%
		OTHER	2%

Multiply the total income of student (EFC Formula Worksheet A, line 37) by the appropriate rate from the table above to get the "state and other tax allowance" (line 39 of Worksheet A). Use the student's *state of legal residence* (FAFSA/SAR #25). If this item is blank or invalid, use the *state* in student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' *state of legal residence* (FAFSA/SAR #67). If all three items are blank or invalid, use the rate for a blank or invalid state above.

2000-01 EFC FORMULA B: INDEPENDENT STUDENT
Without Dependent(s) Other Than A Spouse

REGULAR WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1999

1.	Student's and spouse's Adjusted Gross Income (FAFSA/SAR #40)	
2.	a. Student's income earned from work (FAFSA/SAR #44)	
	b. Spouse's income earned from work (FAFSA/SAR #45) +	
	Total student/spouse income earned from work = 2.	
3.	Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4.	Untaxed income and benefits:	
	• Earned Income Credit (tax filers only) (FAFSA/SAR #43)	
	• Total from FAFSA Worksheet A (FAFSA/SAR #46) +	
	Total untaxed income and benefits = 4.	
5.	Taxable and untaxed income (sum of line 3 and line 4)	
6.	Total from FAFSA Worksheet B (FAFSA/SAR #47) -	
7.	**TOTAL INCOME** (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8.	1999 U.S. income tax paid (FAFSA/SAR #41) (tax filers only); if negative, enter zero.	
9.	State and other tax allowance (Table B1. If negative, enter zero.) +	
10.	Student's Social Security tax (Table B2) +	
11.	Spouse's Social Security tax (Table B2) +	
12.	Income protection allowance:	
	• $5,000 for unmarried student;	
	• $5,000 for married student if the spouse is enrolled at least 1/2 time;	
	• $8,000 for married student if the spouse isn't enrolled at least 1/2 time +	
13.	Employment expense allowance:	
	• If student is not married, allowance is zero.	
	• If student is married but only one person is working (the student or spouse), the allowance is zero.	
	• If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,800, whichever is less. +	
14.	**TOTAL ALLOWANCES** =	

CONTRIBUTION FROM AVAILABLE INCOME

	Total income (from line 7)	
	Total allowances (from line 14)	
15.	**AVAILABLE INCOME (AI)** =	
16.	Assessment rate X	.50
17.	**CONTRIBUTION FROM AI** May be a negative number. =	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS

18.	Cash, savings, & checking (FAFSA/SAR #48)	
19.	Net worth of investments* (FAFSA/SAR #49) If negative, enter zero.	
20.	Net worth of business (FAFSA/SAR #50) If negative, enter zero.	
21.	Net worth of investment farm (FAFSA/SAR #51) If negative, enter zero. If the family resides on the farm, enter zero.	
22.	Net worth of business/farm (sum of lines 20 and 21)	
23.	Adjusted net worth of business/farm (Calculate using Table B3.)	
24.	**Net worth** (sum of lines 18, 19, and 23) =	
25.	Asset protection allowance (Table B4) -	
26.	**Discretionary net worth** (line 24 minus line 25) =	
27.	Asset conversion rate X	.35
28.	**CONTRIBUTION FROM ASSETS** If negative, enter zero =	

EXPECTED FAMILY CONTRIBUTION

	Contribution from AI (from line 17) May be a negative number	
	Contribution from assets (from line 28) +	
29.	**Contribution from AI and assets** =	
30.	**Number in college in 2000-01** (FAFSA/SAR #87) ÷	
31.	**EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment (if negative, enter zero) ** =	

*Do not include the student's home.

**To calculate the student's contribution for other than 9-month enrollment, see the next page.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 2 **B**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

2000-01 EFC FORMULA B : INDEPENDENT STUDENT
Without Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1999

1.	Student's and spouse's Adjusted Gross Income (FAFSA/SAR #40)	
2.	a. Student's income earned from work (FAFSA/SAR #44)	
2.	b. Spouse's income earned from work (FAFSA/SAR #45) +	
	Total student/spouse income earned from work = 2.	
3.	Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4.	Untaxed income and benefits:	
	• Earned Income Credit (tax filers only) (FAFSA/SAR #43)	
	• Total from FAFSA Worksheet A (FAFSA/SAR #46) +	
	Total untaxed income and benefits = 4.	
5.	Taxable and untaxed income (sum of line 3 and line 4)	
6.	Total from FAFSA Worksheet B (FAFSA/SAR #47) -	
7.	**TOTAL INCOME** (line 5 minus line 6) May be a negative number =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8.	1999 U.S. income tax paid (FAFSA/SAR #41) (tax filers only); if negative, enter zero.	
9.	State and other tax allowance (Table B1. If negative, enter zero.) +	
10.	Student's Social Security tax (Table B2) +	
11.	Spouse's Social Security tax (Table B2) +	
12.	Income protection allowance:	
	• $5,000 for unmarried student;	
	• $5,000 for married student if the spouse is enrolled at least 1/2 time;	
	• $8,000 for married student if the spouse isn't enrolled at least 1/2 time +	
13.	Employment expense allowance:	
	• If student is not married, allowance is zero.	
	• If student is married but only one person is working (the student or spouse), the allowance is zero.	
	• If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,800, whichever is less. +	
14.	**TOTAL ALLOWANCES** =	

CONTRIBUTION FROM AVAILABLE INCOME

	Total income (from line 7)	
	Total allowances (from line 14)	
15.	**AVAILABLE INCOME (AI)** =	
16.	Assessment rate X	.50
17.	**CONTRIBUTION FROM AI** May be a negative number. =	

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS

18.	**Cash, savings, & checking** (FAFSA/SAR #48)	
19.	**Net worth of investments*** (FAFSA/SAR #49) If negative, enter zero.	
20.	Net worth of business (FAFSA/SAR #50) If negative, enter zero.	
21.	Net worth of investment farm (FAFSA/SAR #51) If negative, enter zero. If the family resides on the farm, enter zero. -	
22.	Net worth of business/farm (sum of lines 20 and 21)	
23.	Adjusted net worth of business/farm (Calculate using Table B3.)	
24.	**Net worth** (sum of lines 18, 19, and 23) =	
25.	**Asset protection allowance** (Table B4) -	
26.	**Discretionary net worth** (line 24 minus line 25) =	
27.	**Asset conversion rate** X	.35
28.	**CONTRIBUTION FROM ASSETS** If negative, enter zero. =	

EXPECTED FAMILY CONTRIBUTION

	Contribution from AI (from line 17) May be a negative number	
	Contribution from assets (from line 28) +	
29.	**Contribution from AI and assets** =	
30.	**Number in college in 2000-01** (FAFSA/SAR #87) -	
31.	**EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment (if negative, enter zero) * * =	

*Do not include the student's home.

* *To calculate the student's contribution for other than 9-month enrollment, see the next page.

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NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 2 **B**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

Table B1: State and Other Tax Allowance

Alabama	3%
Alaska	0%
American Samoa	2%
Arizona	3%
Arkansas	4%
California	5%
Canada	2%
Colorado	4%
Connecticut	2%
Delaware	5%
District of Columbia	7%
Federated States of Micronesia	2%
Florida	1%
Georgia	4%
Guam	2%
Hawaii	6%
Idaho	5%
Illinois	2%
Indiana	4%
Iowa	5%
Kansas	4%
Kentucky	5%
Louisiana	2%
Maine	5%
Marshall Islands	2%
Maryland	6%
Massachusetts	5%
Mexico	2%
Michigan	4%
Minnesota	6%
Mississippi	3%
Missouri	3%
Montana	5%
Nebraska	4%
Nevada	0%
New Hampshire	1%
New Jersey	3%
New Mexico	4%
New York	7%
North Carolina	5%
North Dakota	2%
Northern Mariana Islands	2%
Ohio	5%
Oklahoma	4%
Oregon	6%
Palau	2%
Pennsylvania	3%
Puerto Rico	2%
Rhode Island	4%
South Carolina	5%
South Dakota	0%
Tennessee	0%
Texas	0%
Utah	5%
Vermont	4%
Virgin Islands	2%
Virginia	4%
Washington	0%
West Virginia	4%
Wisconsin	5%
Wyoming	0%
Blank or Invalid State	2%
OTHER	2%

Multiply the total income of student and spouse (EFC Formula Worksheet B, line 7) by the appropriate rate from table above to get the "state and other tax allowance" (line 9 of Worksheet B). Use the student's *state of legal residence* (FAFSA/SAR #25) reported on the FAFSA. If this item is blank or invalid, use the state in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above.

Table B2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $72,600	7.65% of income
$72,601 or greater	$5,553.90 + 1.45% of amount over $72,600

* Student's 1999 income earned from work is FAFSA/SAR #44.
Spouse's 1999 income earned from work is FAFSA/SAR #45.
Social Security tax will never be less than zero.

Table B3: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $90,000	40% of net worth of business & farm
$90,001 to $265,000	$ 36,000 + 50% of excess over $90,000
$265,001 to $445,000	$123,500 + 60% of excess over $265,000
$445,001 or more	$231,500 + 100% of excess over $445,000

Table B4
Asset Protection Allowance

Age of student as of 12/31/00 *	Allowance for— Married Student	Unmarried Student
25 or less..	0	0
26	2,600	1,600
27	5,200	3,300
28	7,800	4,900
29	10,500	6,600
30	13,100	8,200
31	15,700	9,800
32	18,300	11,500
33	20,900	13,100
34	23,500	14,800
35	26,100	16,400
36	28,700	18,000
37	31,400	19,700
38	34,000	21,300
39	36,600	23,000
40	39,200	24,600
41	39,900	25,200
42	40,900	25,800
43	42,000	26,300
44	43,100	26,900
45	44,400	27,400
46	45,600	28,100
47	46,700	28,700
48	47,900	29,300
49	49,100	30,000
50	50,300	30,700
51	51,900	31,400
52	53,200	32,200
53	54,800	33,000
54	56,200	33,800
55	57,900	34,700
56	59,700	35,600
57	61,500	36,400
58	63,400	37,500
59	65,300	38,500
60	67,200	39,400
61	69,600	40,600
62	71,600	41,700
63	74,100	42,900
64	76,600	44,100
65 or more	78,900	45,500

* Determine student's age as of 12/31/00 from student's date of birth (FAFSA/SAR #9)

2000-01 EFC FORMULA C: INDEPENDENT STUDENT With Dependent(s) Other Than A Spouse

REGULAR WORKSHEET **C**

STUDENT/SPOUSE INCOME IN 1999

1.	Student's and spouse's Adjusted Gross Income (FAFSA/SAR #40)	
2.	**a.** Student's income earned from work (FAFSA/SAR #44)	
2.	**b.** Spouse's income earned from work (FAFSA/SAR #45) +	
	Total student/spouse income earned from work = 2.	
3.	Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4.	Untaxed income and benefits:	
	• Earned Income Credit (tax filers only) (FAFSA/SAR #43)	
	• Total from FAFSA Worksheet A (FAFSA/SAR #46) +	
	Total untaxed income and benefits = 4.	
5.	Taxable and untaxed income (sum of line 3 and line 4)	
6.	Total from FAFSA Worksheet B (FAFSA/SAR #47) -	
7.	**TOTAL INCOME** (line 5 minus line 6) May be a negative number. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8.	1999 U.S. income tax paid (FAFSA/SAR #41) (tax filers only); if negative, enter zero.	
9.	State and other tax allowance (Table C1. If negative, enter zero.) +	
10.	Student's Social Security tax (Table C2) +	
11.	Spouse's Social Security tax (Table C2) +	
12.	Income protection allowance (Table C3) +	
13.	Employment expense allowance:	
	• Student and spouse both working: 35% of the lesser of the earned incomes, or $2,800, whichever is less	
	• One-parent families: 35% of earned income, or $2,800, whichever is less	
	• Student or spouse working (not both): zero +	
14.	**TOTAL ALLOWANCES** =	

AVAILABLE INCOME

	Total income (from line 7)	
	Total allowances (from line 14) -	
15.	**AVAILABLE INCOME (AI)** May be a negative number. =	

*STOP HERE if **both** of the following are true: line 3 is $13,000 or less **and** the student & spouse are eligible to file a 1999 IRS Form 1040A or 1040EZ (they are not required to file a 1999 Form 1040) or they are not required to file any income tax return—the student's EFC is zero.

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS

16.	Cash, savings, & checking (FAFSA/SAR #48)		
17.	Net worth of investments** (FAFSA/SAR #49) If negative, enter zero.		
18.	Net worth of business (FAFSA/SAR #50) If negative, enter zero.		
19.	Net worth of investment farm (FAFSA/SAR #51) If negative, enter zero. If the family resides on the farm, enter zero.		
20.	Net worth of business/farm (sum of lines 18 and 19)		
21.	Adjusted net worth of business/farm (Calculate using Table C4.) +		
22.	**Net worth** (sum of lines 16, 17, and 21) =		
23.	Asset protection allowance (Table C5) -		
24.	**Discretionary net worth** (line 22 minus line 23) =		
25.	Asset conversion rate	X	.12
26.	**CONTRIBUTION FROM ASSETS** If negative, enter zero. =		

EXPECTED FAMILY CONTRIBUTION

	Available Income (AI) (from line 15)	
	Contribution from assets (from line 26) +	
27.	**Adjusted Available Income (AAI)** May be a negative number =	
28.	**Total contribution from AAI** (Calculate using Table C6; if negative, enter zero.)	
29.	**Number in college in 2000-01** (FAFSA/SAR #87) ÷	
30.	**EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment *** =	

**Do not include the student's home.

***To calculate the EFC for other than 9-month enrollment, see the next page.

5 *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 2 **C**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

2000-01 EFC FORMULA C: INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET **C**

STUDENT/SPOUSE INCOME IN 1999		
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #40)		
2. a. Student's income earned from work (FAFSA/SAR #44)		
2. b. Spouse's income earned from work (FAFSA/SAR #45)	+	
Total student/spouse income earned from work	= 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*		
4. Untaxed income and benefits: • Earned Income Credit (tax filers only) (FAFSA/SAR #43)		
• Total from FAFSA Worksheet A (FAFSA/SAR #46)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Total from FAFSA Worksheet B (FAFSA/SAR #47)	-	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME		
8. 1999 U.S. income tax paid (FAFSA/SAR #41) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table C1. If negative, enter zero.)	+	
10. Student's Social Security tax (Table C2)	+	
11. Spouse's Social Security tax (Table C2)	+	
12. Income protection allowance (Table C3)	+	
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or $2,800, whichever is less • One-parent families: 35% of earned income, or $2,800, whichever is less)		
• Student or spouse working (not both): zero	+	
14. TOTAL ALLOWANCES	=	

AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI) May be a negative number.	=	

*STOP HERE if **both** of the following are true: line 3 is $13,000 or less **and** the student & spouse are eligible to file a 1999 IRS Form 1040A or 1040EZ (they are not required to file a 1999 Form 1040) or they are not required to file any income tax return—the student's EFC is zero.

STUDENT/SPOUSE CONTRIBUTION FROM ASSETS		
16. Cash, savings, & checking (FAFSA/SAR #48)		
17. Net worth of investments** (FAFSA/SAR #49) If negative, enter zero.	+	
18. Net worth of business (FAFSA/SAR #50) If negative, enter zero.		
19. Net worth of investment farm (FAFSA/SAR #51) If negative, enter zero. If the family resides on the farm, enter zero.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate using Table C4.)	+	
22. **Net worth** (sum of lines 16, 17, and 21)	=	
23. Asset protection allowance (Table C5)	-	
24. **Discretionary net worth** (line 22 minus line 23)	=	
25. **Asset conversion rate**	X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
Available Income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted Available Income (AAI)** May be a negative number	=	
28. Total contribution from AAI (Calculate using Table C6. If negative, enter zero.)		
29. Number in college in 2000-01 (FAFSA/SAR #87)	÷	
30. EXPECTED FAMILY CONTRIBUTION (for 9-month enrollment ***)	=	

**Do not include the family's home.

***To calculate the EFC for other than 9-month enrollment, see the next page.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 2 **C**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

Table C1: State and Other Tax Allowance

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more		$0-14,999	$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of Columbia	10%	9%	Northern Mariana Islands	4%	3%
Federated States of Micronesia	4%	3%	Ohio	8%	7%
Florida	4%	3%	Oklahoma	6%	5%
Georgia	7%	6%	Oregon	10%	9%
Guam	4%	3%	Palau	4%	3%
Hawaii	8%	7%	Pennsylvania	7%	6%
Idaho	7%	6%	Puerto Rico	4%	3%
Illinois	6%	5%	Rhode Island	9%	8%
Indiana	6%	5%	South Carolina	8%	7%
Iowa	8%	7%	South Dakota	4%	3%
Kansas	7%	6%	Tennessee	3%	2%
Kentucky	7%	6%	Texas	3%	2%
Louisiana	4%	3%	Utah	8%	7%
Maine	9%	8%	Vermont	8%	7%
Marshall Islands	4%	3%	Virgin Islands	4%	3%
Maryland	9%	8%	Virginia	8%	7%
Massachusetts	9%	8%	Washington	4%	3%
Mexico	4%	3%	West Virginia	6%	5%
Michigan	9%	8%	Wisconsin	10%	9%
Minnesota	9%	8%	Wyoming	3%	2%
Mississippi	5%	4%	Blank or invalid State	4%	3%
			OTHER	4%	3%

Multiply the total income of student and spouse (from EFC Formula Worksheet C, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's *state of legal residence* (FAFSA/SAR #25) reported on the FAFSA. If this item is blank or invalid, use the *state* in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the rate for blank or invalid state above.

Table C2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $72,600	7.65% of income
$72,601 or greater	$5,553.90 + 1.45% of amount over $72,600

* Student's 1999 income earned from work is FAFSA/SAR #44.
Spouse's 1999 income earned from work is FAFSA/SAR #45.
Social Security tax will never be less than zero.

Table C3: Income Protection Allowance

Number in student's household, including student (FAFSA/SAR #86)	Number of college students in household (FAFSA/SAR #87)				
	1	2	3	4	5
2	$12,450	$10,320	———	———	———
3	15,500	13,380	$11,250	———	———
4	19,140	17,010	14,890	$12,760	———
5	22,580	20,450	18,340	16,210	$14,090
6	26,420	24,290	22,170	20,040	17,920

NOTE: For each additional family member, add $2,980.
For each additional college student, subtract $2,120.

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $90,000	40% of net worth of business & farm
$90,001 to $265,000	$ 36,000 + 50% of excess over $90,000
$265,001 to $445,000	$123,500 + 60% of excess over $265,000
$445,001 or more	$231,500 + 100% of excess over $445,000

Table C5: Asset Protection Allowance

Age of student as of 12/31/00*	Allowance for— Married Student	Unmarried Student	Age of student as of 12/31/00*	Allowance for— Married Student	Unmarried Student
25 or less..	0	0	45	44,400	27,400
26	2,600	1,600	46	45,600	28,100
27	5,200	3,300	47	46,700	28,700
28	7,800	4,900	48	47,900	29,300
29	10,500	6,600	49	49,100	30,000
30	13,100	8,200	50	50,300	30,700
31	15,700	9,800	51	51,900	31,400
32	18,300	11,500	52	53,200	32,200
33	20,900	13,100	53	54,800	33,000
34	23,500	14,800	54	56,200	33,800
35	26,100	16,400	55	57,900	34,700
36	28,700	18,000	56	59,700	35,600
37	31,400	19,700	57	61,500	36,400
38	34,000	21,300	58	63,400	37,500
39	36,600	23,000	59	65,300	38,500
40	39,200	24,600	60	67,200	39,400
41	39,900	25,200	61	69,600	40,600
42	40,900	25,800	62	71,600	41,700
43	42,000	26,300	63	74,100	42,900
44	43,100	26,900	64	76,600	44,100
			65 or more	78,900	45,500

* Determine student's age as of 12/31/00 from student's date of birth (FAFSA/SAR #9)

Table C6: Contribution From AAI

If student's AAI is—	The student's contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $11,100	22% of AAI
$11,101 to $14,000	$2,442 + 25% of AAI over $11,100
$14,001 to $16,800	$3,167 + 29% of AAI over $14,000
$16,801 to $19,600	$3,979 + 34% of AAI over $16,800
$19,601 to $22,500	$4,931 + 40% of AAI over $19,600
$22,501 or more	$6,091 + 47% of AAI over $22,500